



RECEIVED

SEP 12 2008

PUBLIC SERVICE
COMMISSION

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Lonnie E. Bellar
Vice President
T 502-627-4830
F 502-217-2109
lonnie.bellar@eon-us.com

September 12, 2008

RE: *Application of Kentucky Utilities Company for an Adjustment of Base Rates – Case No. 2008-00251*

Application of Kentucky Utilities Company to File Depreciation Study – Case No. 2007-00565

Dear Ms. Stumbo:

Please find enclosed and accept for filing the original and ten (10) copies of the Certificate of Completed Notice of Kentucky Utilities Company.

Also, enclosed are an original and ten (10) copies of a Petition for Approval to Deviate From Rule.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY)
UTILITIES COMPANY TO FILE) CASE NO. 2007-00565
DEPRECIATION STUDY)

APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN) CASE NO. 2008-00251
ADJUSTMENT OF BASE RATES)

CERTIFICATE OF COMPLETED NOTICE

To: The Public Service Commission, Frankfort, Kentucky

Pursuant to the Rules Governing Tariffs (effective August 4, 1984), I hereby certify that I am Lonnie E. Bellar, Vice President, State Regulation and Rates for Kentucky Utilities Company ("KU" or "Company"), a utility furnishing retail electric service within the Commonwealth of Kentucky which, on the 29th day of July, 2008, filed an application with the Kentucky Public Service Commission for the approval of an adjustment of the electric base rates, terms, and conditions of KU, and that notice to the public of the filing of the application has been completed in substantial compliance with Section 8 of said Regulation, and 807 KAR 5:001, Section 10 (3) and (4), as follows:

That more than twenty (20) customers will be affected by said change by way of an increase in their bills, and that on the 15th day of July, 2008, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication in such newspapers once a week for three consecutive weeks, pursuant to 807 KAR 5:011, Section 8(2)(c) and 807 KAR 5:001, Section 10(4), a notice of the filing of KU's Application in this case. Publication of this notice is now complete, though some minor deviations occurred for

which KU is petitioning the Commission today for deviation under 807 KAR 5:001 § 14 and 807 KAR 5:011 § 14. An affidavit from the Kentucky Press Association confirming this publication and a copy of said notice are enclosed in the envelope marked Exhibit A. The Kentucky Press Association has presented to KU proof of this publication of notice in the form of “tear sheets,” which KU will maintain in its files.

On the 29th day of July, 2008, notice was exhibited for public inspection at the offices and places of business of the Company in the territory affected thereby, including its main office, to wit, at the places listed on Exhibit B, and that the same will be kept open to public inspection at said offices and places of business in conformity with the requirements of 807 KAR 5:011, Section 8.

I further certify that KU included a general statement explaining the application in this case with the bills for all Kentucky retail customers during the course of their regular monthly billing cycle in August 2008. An accurate copy of this general statement is marked as Exhibit C and attached hereto.

On August 6, 2008, the Commission notified KU by letter that KU’s notice to the public was deficient as follows:

The customer notice included in the application does not include the present and proposed rates for customer deposits which are proposed to be increased in accordance with proposed Electric Tariff No. 14, Sheet Nos. 102 and 102.1. Your filing of a revised copy of the customer notice should include the dates upon which the first newspaper publication will be made, in each newspaper in which you give notice, to show compliance with the seven-day requirement set for in 807 KAR 5:001, Section 10(4)(c)3.

To cure the deficiency, on the 7th day of August, 2008, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication

in such newspapers once a week for three consecutive weeks, a supplemental notice of the filing of KU's Application in this case. Publication of this notice is now complete, though some minor deviations occurred for which KU is petitioning the Commission today for deviation under 807 KAR 5:001 § 14 and 807 KAR 5:011 § 14. An affidavit from the Kentucky Press Association confirming this publication and a copy of said notice are enclosed in the envelope marked Exhibit D. The Kentucky Press Association has presented to KU proof of this publication of notice in the form of "tear sheets," which KU will maintain in its files.

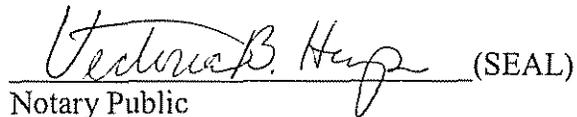
On the 7th day of August, 2008, KU's supplemental notice was exhibited for public inspection at the offices and places of business of the Company in the territory affected thereby, including its main office, to wit, at the places listed on Exhibit B, and that the same will be kept open to public inspection at said offices and places of business in conformity with the requirements of 807 KAR 5:011, Section 8.

Given under my hand this 12th day of September, 2008.



Ronnie E. Bellar
Vice President, State Regulation and Rates
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of September, 2008.

 (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

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PUBLIC SERVICE
COMMISSION

NOTARIZED PROOF OF PUBLICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF Franklin

Before me, a Notary Public, in and for said county and state, this 21st day of August, 2008, came RACHEL McCARTY, personally known to me, who, being duly sworn, states as follows: that she is the Advertising Assistant of the Kentucky Press Service, Inc.; that she has personal knowledge of the contents of this Affidavit; that the newspapers shown on Attachment No. 1 to this Affidavit published the Notice of Current and Proposed Electric Rates on the dates shown thereon at the request of Kentucky Press Service, Inc. for Kentucky Utilities Company; that the form and content of the Notice submitted for publication to each paper is shown in Attachment No. 2 to this Affidavit; and that the Kentucky Press Service, Inc. has presented to Kentucky Utilities Company proof of these publications in the form of "tear sheets" for retention in its files. Said Notice pertains to the Application and proposed Tariff filed by Kentucky Utilities Company with the Kentucky Public Service Commission in Case No. 2008-00251.

Rachel McCarty
Signature

Bonnie J. Howard
Notary Public
My Commission Expires: 9-18-08

(SEAL)

[Attachments: (1) List of publications and dates of publication; (2) sample published notice]

KENTUCKY PRESS SERVICE

101 Consumer Lane
(502) 223-8821

Frankfort, KY 40601
FAX (502) 875-2624

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to
Kentucky Utilities Company Customers.
Attached tearsheets provide proof of publi-
cation:

Barbourville Mountain Advocate:

7-24 & 31, 8-7

Bardstown KY Standard

7-23 & 30, 8-6

Bardwell Carlilse Co. News:

7-23 & 30, 8-6

Bardwell Carlilse Weekly:

7-23 & 30, 8-6

Beattyville Enterprise:

7-24 & 31, 8-7

Bedford Trimble Banner:

7-23 & 30, 8-6

Berea Citizen:

7-24 & 31, 8-7

Brandenburg Meade Co. Messenger:

7-23, & 30, 8-6

Brandenburg News Standard:

7-25, 8-1 & 8

Brooksville Bracken Co. News:

7-24 & 31, 8-7

Brownsville Edmonson News:

7-24 & 31, 8-7

Calhoun McLean Co. News:

7-24 & 31, 8-7

Campbellsville Central KY News Journal:

7-24 & 31, 8-7

Carlisle Mercury:

7-23 & 30, 8-6

Carrollton News Democrat:

7-23 & 30, 8-6

Cave City Barren Co. Progress:

7-23 & 30, 8-6

Central City Leader News:

7-23 & 30, 8-6

Central City Times Argus:

7-23 & 30, 8-6

Corbin Times Tribune:

7-23 & 30, 8-6

Cumberland Tri-City News:

7-23 & 30, 8-6

Cynthiana Democrat:

7-24 & 31, 8-7

Dawson Springs Progress:

7-24 & 31, 8-7

Eddyville Herald Ledge:

7-23 & 30, 8-6

Edmonton Herald News:

7-23 & 30, 8-6

Elizabethtown Hardin Co. Independent:

7-24 & 31, 8-7

Elizabethtown News Enterprise:

7-23 & 30, 8-6

Falmouth Outlook:

7-22 & 29, 8-5

Fleming Co. Messenger:

7-21 & 28, 8-4 & 11

Flemingsburg Gazette:

7-23 & 30, 8-6

Florence Boone Co.:

7-24 & 31, 8-7

Frankfort State Journal:

7-23 & 30, 8-6

Fulton Leader:

7-30, 8-6 & 13

Georgetown News Graphic:

7-23 & 30, 8-6

Glasgow Daily Times:

7-23 & 30, 8-6

Greensburg Record Herald:

7-23 & 30, 8-6

Harlan Daily Enterprise:

7-23 & 30, 8-6

Harrodsburg Herald:

7-24 & 31, 8-7

Hartford Ohio Co. Times News:

7-24 & 31, 8-7

Henderson Gleaner:
7-23 & 30, 8-6
Hickman Courier:
7-24 & 31, 8-7
Hodgenville Larue Co. Herald News:
7-23 & 30, 8-6
Hopkinsville Ky New Era:
7-23 & 30, 8-6
Irvine Citizen Voice & Times:
7-24 & 31, 8-7
Irvine Estill Co. Tribune:
7-23 & 30, 8-6
LaGrange Oldham Era:
7-24 & 31, 8-7
Lancaster Central Record:
7-24 & 31, 8-7
Lawrenceburg Anderson News:
7-23, 8-6 & 13
Lebanon Enterprise:
7-23 & 30, 8-6
Leitchfield GraysonCo. News Gazette:
7-23 & 30, 8-6
Leitchfield The Record:
7-24 & 31, 8-7
Lexington Herald Leader:
7-23 & 30, 8-6
Liberty Casey Co. News:
7-23 & 30, 8-6
London Sentinel Echo:
7-23 & 30, 8-6
Louisville Courier Journal:
7-23 & 30, 8-6
Madisonville Messenger:
7-23 & 30, 8-6
Manchester Enterprise:
7-24 & 31, 8-7
Marion Crittenden Press:
7-24 & 31, 8-7
Maysville Ledger Independent:
7-23 & 30, 8-6
Metcalf Co. Light:
7-27, 8-3 & 10
Middlesboro Daily News:
7-23 & 30, 8-6
Morehead News:
7-22 & 29, 8-5

Morganfield Union Co. Advocate:
7-23 & 30, 8-6
Mt. Sterling Advocate:
7-24 & 31, 8-7
Mt. Vernon Signal:
7-24 & 31, 8-7
Munfordville Hart Co. News Herald:
7-24 & 31, 8-7
New Castle Henry Co. Local:
7-23 & 30, 8-6
Nicholasville Jessamine Journal:
7-24 & 31, 8-7
Owensboro Messenger Inquirer:
7-23 & 30, 8-6
Owenton News Herald:
7-23 & 30, 8-6
Owingsville Bath Co. News Outlook
7-23 & 30, 8-6
Paducah Sun:
7-23 & 30, 8-6
Paris Bourbon Citizen/Advertiser
7-23 & 30, 8-6
Pineville Sun:
7-24 & 31, 8-7
Princeton Times Leader:
7-23 & 30, 8-6
Providence Journal Enterprise
7-24 & 31, 8-7
Richmond Register
7-23 & 30, 8-6
Russell Springs Times Journal:
7-24 & 31, 8-7
Sebree Banner:
7-24 & 31, 8-7
Shelbyville Sentinel News:
7-23 & 30, 8-6
Shepherdsville Pioneer News
7-23 & 30, 8-6
Smithland Livingston Ledger:
7-23 & 30, 8-6
Somerset Commonwealth Journal:
7-23 & 30, 8-6
Springfield Sun:
7-23 & 30, 8-6
Stanford Interior Journal:
7-24 & 31, 8-7
Sturgis News:
7-23 & 30, 8-6

Taylorsville Spencer Magnet:

7-23 & 30, 8-6

The Advocate Messenger (Danville):

7-23 & 30, 8-6

Three Forks Tradition (Beattyville):

7-23 & 30, 8-6

Versailles Woodford Sun:

7-24 & 31, 8-7

Warsaw Gallatin Co. News:

7-23 & 30, 8-6

Whitley City McCreary Co. Record:

7-22 & 29, 8-5

Whitley City McCreary Co. Voice

7-24 & 31, 8-7

Wickliffe Advance Yeoman:

7-23 & 30, 8-6

Williamsburg News Journal:

7-23 & 30, 8-6

Williamstown Grant Co. News:

7-24 & 31, 8-7

Winchester Sun:

7-23 & 30, 8-6

NOTICE

Notice is hereby given that Kentucky Utilities Company seeks approval by the Public Service Commission, Frankfort, Kentucky of an adjustment of electric rates and charges to become effective on and after September 1, 2008.

KU CURRENT AND PROPOSED ELECTRIC RATES

Residential Service - Rate RS

Current Rate

Customer Charge: \$5.00 per month
Energy Charge: 5.774¢ per kWh
Minimum Charge: The Customer Charge.

Proposed Rate

Customer Charge: \$8.49 per month
Energy Charge: \$0.05774 per kWh
Minimum Charge: The Customer Charge.

Volunteer Fire Department Service - Rate VFD

Current Rate

Customer Charge: \$5.00 per month
Energy Charge: 5.774¢ per kWh
Minimum Charge: The Customer Charge.

Proposed Rate

Customer Charge: \$8.49 per month
Energy Charge: \$0.05774 per kWh
Minimum Charge: The Customer Charge.

General Service - Rate GS

Current Rate

Customer Charge: \$10.00 per month
Energy Charge: 6.745¢ per kWh
Primary Service Discount: A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period.
Minimum Charge: Service under this schedule is subject to a minimum of the greater of (a) \$10.00 per month to include the first 20 kW or less of capacity, or (b) \$10.00 per month, plus \$1.64 per kW for demand in excess of 20 kW, which shall be determined from the greater of (1), (2), (3), or (4) as follows:

- (1) The maximum demand registered in the current month;
- (2) 75% of the highest monthly maximum demand registered in the preceding 11 months.
- (3) The contract capacity, based on the expected maximum kW demand upon the system.
- (4) 60% of the kW capacity of facilities specified by the customer.

Proposed Rate

Customer Charge: \$10.00 per meter per month for single phase service
\$10.00 per meter per month for three-phase service

Energy Charge: \$0.06745 per kWh
Primary Service Discount: This rate schedule will no longer be available to customers served at primary voltage.
Minimum Charge: The Customer Charge.

All Electric School - Rate AES

Current Rate

Energy Charge: 5.557¢ per kWh
Minimum Charge: An Annual Minimum Charge of \$19.56 per kW for all connected equipment, except air-conditioning and other individual equipment of one kW or less, but not less than \$196.11 per year.

Proposed Rate

Energy Charge: \$0.05815 per kWh
Minimum Charge: An Annual Minimum Charge of \$20.47 per kW for all connected equipment, except air-conditioning and other individual equipment of one kW or less, but not less than \$204.70 per year.

Large Power Service - Rate LP

Current Rate

Customer Charge: \$75.00 per month
Maximum Load Charge:
 Secondary Distribution \$7.65 per kW of maximum load in the month
 Primary Distribution \$7.26 per kW of maximum load in the month
 Transmission \$6.92 per kW of maximum load in the month
Energy Charge: 3.282 cents per kWh
Minimum Charge: Service under this schedule is subject to an annual minimum of \$91.80 per kilowatt for secondary delivery, \$87.12 per kilowatt for primary delivery and \$83.04 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:
(a) The highest monthly maximum load during such yearly period.
(b) The contract capacity, based on the expected maximum kW demand upon the system.
(c) 60 percent of the kW capacity of facilities specified by the customer.
(d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; Transmission delivery, \$4,152.00 per year.
(e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Proposed Rate (to be titled "Power Service Rate PS")

Customer Charge:
 Secondary Distribution \$75.00 per month
 Primary Distribution \$75.00 per month
Maximum Load Charge:
 Secondary Distribution \$7.65 per kW of maximum load in the month
 Primary Distribution \$7.26 per kW of maximum load in the month
Energy Charge:
 Secondary Distribution \$0.03282 per kWh
 Primary Distribution \$0.03282 per kWh
Minimum Charge: Service under this schedule is subject to an annual minimum of \$91.80 per kilowatt for secondary delivery and \$87.12 per kilowatt for primary delivery for each yearly period based on the greatest

of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period;
- (b) The contract capacity, based on the expected maximum kW demand upon the system;
- (c) Sixty percent of the kW capacity of facilities specified by the customer;
- (d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; or,
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

This service will not be available to customers served at transmission voltages. Such customers must be served under proposed Retail Transmission Service Rate RTS.

Large Commercial/Industrial Time-of-Day Service - Rate LCI-TOD

Currently Rate

Customer Charge: \$120.00 per month

Maximum Load Charge:

	Primary	Transmission
On-Peak Demand per kW	\$5.12	\$4.93
Off-Peak Demand per kW	\$1.27	\$1.27

Energy Charge: 3.282 cents per kWh

Minimum Charge: Service under this schedule is subject to an annual minimum of \$61.44 per kilowatt for primary and \$59.16 per kilowatt for transmission on-peak delivery for each yearly period based on the great of (a), (b), (c), (d), or (e), as follows:

- (a) The highest monthly on-peak maximum load during such yearly period.
- (b) The contract capacity, based on the expected on-peak maximum kW demand upon the system
- (c) Sixty percent of the kW capacity of facilities specified by the customer.
- (d) Primary delivery, \$307,200 per year; transmission delivery \$295,800 per year.
- (e) Minimum may be adjusted where customer's service required an abnormal investment in special facilities.

Proposed Rate (to be titled "Large Time-of-Day Service Rate LTOD" available for primary service only)

Customer Charge: \$120.00 per month

Maximum Load Charge:

On-Peak Demand per kW	\$5.12
Off-Peak Demand per kW	\$1.27

Energy Charge: \$0.03282 per kWh

Minimum Charge: Service under this schedule is subject to an annual minimum of \$61.44 per kilowatt for primary on-peak delivery for each yearly period based on the greatest of (a), (b), (c), (d), or (e), as follows:

- (a) The highest monthly on-peak maximum load during such yearly period;
- (b) The contract capacity, based on the expected on-peak maximum kW demand upon the system;
- (c) Sixty percent of the kW capacity of facilities specified by the customer;
- (d) Primary delivery, \$307,200 per year; or,

(e) Minimum may be adjusted where customer's service required an abnormal investment in special facilities.

This service will not be available to customers served at transmission voltages. Such customers must be served under proposed Retail Transmission Service Rate RTS.

Coal Mining Power Service - Rate MP

Current Rate

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Distribution \$5.45 per kW of the maximum load per month

Transmission Line \$5.33 per kW of the maximum load per month

Energy Charge: 3.479¢ per KWH

Minimum Charge: Not less than the greater of (a), (b) or (c) as follows:

- (a) \$65.40 for primary delivery and \$63.96 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.
- (b) \$65.40 per kilowatt for primary delivery or \$63.96 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (c) No less than an amount to be determined by any special investment required to serve.

Proposed Rate

Coal Mining Power Service Rate MP is being canceled. Primary service customers currently served under Rate MP will be served under proposed Power Service Rate PS. Transmission service customers currently served under Rate MP will be served under proposed Retail Transmission Service Rate RTS.

Large Mine Power Time-of-Day - Rate LMP-TOD

Current Rate

Customer Charge: \$120.00 per month

Maximum Load Charge:	Primary	Transmission
On-Peak Demand	\$5.79	\$5.25
Off-Peak Demand	\$1.13	\$1.13

Energy Charge: 3.082¢ per kWh

Minimum Charge: Not less than the greater of (a), (b), or (c) as follows:

- (a) \$69.48 for primary delivery and \$63.00 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 kW.
- (b) \$69.48 per kilowatt for primary delivery and \$63.00 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.
- (c) Not less than an amount to be determined by any special investment required to serve.

Proposed Rate

Large Mine Power Time-of-Day Rate LMP-TOD is being canceled. Primary service customers currently served under Rate LMP-TOD will be served under proposed Large Time-of-Day Service Rate LTOD. Transmission service customers will be served under proposed Retail Transmission Service Rate RTS

Large Industrial Time-of-Day Service - Rate LI-TOD

Current Rate

Customer Charge: \$120.00 per month

Energy Charge: \$0.03282 per kWh

Demand Charge:

Standard Load Charges:

	<u>Primary</u>	<u>Transmission</u>
On-Peak	\$4.79 per kVA	\$4.58 per kVA
Off-Peak	\$0.93 per kVA	\$0.93 per kVA

Fluctuating Load Charges:

On-Peak	\$2.29 per kVA	\$2.20 per kVA
Off-Peak	\$0.37 per kVA	\$0.37 per kVA

Minimum Charge: The minimum bill will be the Demand Charge.

Proposed Rate (to be titled "Industrial Service Rate IS")

Customer Charge: \$120.00 per month

Energy Charge:

Primary Distribution \$0.03282 per kWh

Transmission Distribution \$0.03282 per kWh

Demand Charge:

Standard Load Charges:

	<u>Primary</u>	<u>Transmission</u>
On-Peak	\$4.79 per kVA	\$4.58 per kVA
Off-Peak	\$0.93 per kVA	\$0.93 per kVA

Fluctuating Load Charges:

On-Peak	\$2.29 per kVA	\$2.20 per kVA
Off-Peak	\$0.37 per kVA	\$0.37 per kVA

Minimum Charge: The minimum bill will be the Demand Charge.

Small Time-of-Day Service Rider – Rate STOD

Current Rate

Customer Charge: \$90.00 per month

Demand Charge:

Secondary \$7.65 per kW per month

Primary \$7.26 per kW per month

Transmission \$6.92 per kW per month

Energy Charge:

On-Peak \$0.03879 per kWh

Off-Peak \$0.02596 per kWh

Minimum Charge: Service under this schedule is subject to an annual minimum of \$91.80 per kilowatt for secondary delivery, \$87.12 per kilowatt for primary delivery and \$83.04 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; Transmission delivery, \$4,152.00 per year.

(e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Proposed Rate (to be titled "Time-of-Day Service Rate TOD")

Customer Charge:

Secondary \$ 90.00 per month
Primary \$120.00 per month

Energy Charge:

Secondary Distribution \$0.03282 per kWh
Primary Distribution \$0.03282 per kWh

Maximum Load Charge per kW: Secondary Primary

On-Peak Demand \$6.39 \$6.00

Off-Peak Demand \$1.27 \$1.27

Minimum Charge: Service under this schedule is subject to an annual minimum of \$76.68 per kilowatt for secondary delivery, and \$72.00 per kilowatt for primary delivery for each yearly period based on the greatest of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly on-peak maximum load during such yearly period;
- (b) The contract capacity, based on the expected maximum kW demand upon the system;
- (c) 60 percent of the kW capacity of facilities specified by the customer;
- (d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; or
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Retail Transmission Service Rate RTS

Current Rate This rate schedule is not currently available.

Proposed Rate (Applicable for Transmission Service Only)

Customer Charge: \$120.00

Energy Charge: \$ 0.03252 per kWh

Maximum Load Charge per kVA:

On-Peak Demand \$ 4.39

Off-Peak Demand \$ 1.13

Minimum Charge: Service under this rate schedule is subject to an annual minimum of \$52.68 per kVA for transmission on-peak delivery for each yearly period based on the greatest of (a), (b), (c), or (d) as follows:

- (a) The highest monthly on-peak load during such yearly period;
- (b) The contract capacity, based on the expected maximum kW demand upon the system;
- (c) Sixty percent of the kW capacity of facilities specified by the customer; or,
- (d) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities

Street Lighting Service - Rate ST. LT.

Current Rate

STANDARD/ORNAMENTAL SERVICE

Load/Light

Rate Per Light Per Month

Standard

Ornamental

Incandescent System			
1,000 Lumens (approx.)	.102 KW/Light	\$ 2.76	\$ 3.42
2,500 "	.201 KW/Light	3.64	4.48
4,000 "	.327 KW/Light	5.37	6.35
6,000 "	.447 KW/Light	7.19	8.28
Mercury Vapor			
7,000 Lumens (approx.)	.207 KW/Light	\$ 7.73	10.09
10,000 "	.294 KW/Light	9.12	11.22
20,000 "	.453 KW/Light	11.13	12.81
High Pressure Sodium			
4,000 Lumens (approx.)	.060 KW/Light	\$ 5.46	\$ 8.20
5,800 "	.083 KW/Light	6.00	8.74
9,500 "	.117 KW/Light	6.84	9.77
22,000 "	.242 KW/Light	10.36	13.29
50,000 "	.485 KW/Light	17.07	19.99

DECORATIVE UNDERGROUND SERVICE

High Pressure Sodium (HPS)

<u>Type of Pole & Fixture</u>	<u>Lumen Output</u>	<u>Load/Light In KW</u>	<u>Monthly Rate Per Light</u>
Acorn (Decorative Pole)	4,000	0.060	\$10.82
Acorn (Historic Pole)	4,000	0.060	\$17.29
Acorn (Decorative Pole)	5,800	0.083	\$11.77
Acorn (Historic Pole)	5,800	0.083	\$17.94
Acorn (Decorative Pole)	9,500	0.117	\$12.59
Acorn (Historic Pole)	9,500	0.117	\$18.78
Colonial	4,000	0.060	\$ 7.40
Colonial	5,800	0.083	\$ 7.96
Colonial	9,500	0.117	\$ 8.71
Coach	5,800	0.083	\$26.62
Coach	9,500	0.117	\$27.36
Contemporary	5,800	0.083	\$13.50
Contemporary	9,500	0.117	\$16.15
Contemporary	22,000	0.242	\$19.13
Contemporary	50,000	0.485	\$25.42
GranVille	16,000	0.150	\$40.55
Gran Ville Accessories:			
Single Crossarm Bracket			\$16.28
Twin Crossarm Bracket			\$18.12
24 Inch Banner Arm			\$ 2.82
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.60
Flagpole Holder			\$ 1.20
Post-Mounted Receptacle			\$16.90
Base-Mounted Receptacle			\$16.31
Additional Receptacles			\$ 2.31
Planter			\$ 3.91

Proposed Rate

STANDARD/ORNAMENTAL SERVICE

	<u>Load/Light</u>	<u>Rate Per Light Per Month</u>	
		<u>Standard</u>	<u>Ornamental</u>
Incandescent System			

1,000 Lumens (approx.)	.102 kW/Light	\$ 2.76	\$ 3.42
2,500 "	.201 kW/Light	3.64	4.48
4,000 "	.327 kW/Light	5.37	6.35
6,000 "	.447 kW/Light	7.19	8.28
Mercury Vapor			
7,000 Lumens (approx.)	.207 kW/Light	\$ 7.73	10.09
10,000 "	.294 kW/Light	9.12	11.22
20,000 "	.453 kW/Light	11.13	12.81
High Pressure Sodium			
4,000 Lumens (approx.)	.060 kW/Light	\$ 5.72	\$ 8.60
5,800 "	.083 kW/Light	6.29	9.16
9,500 "	.117 kW/Light	7.17	10.24
22,000 "	.242 kW/Light	10.86	13.93
50,000 "	.485 kW/Light	17.90	20.96

DECORATIVE UNDERGROUND SERVICE

High Pressure Sodium (HPS)

<u>Type of Pole & Fixture</u>	<u>Lumen Output</u>	<u>Load/Light In kW</u>	<u>Monthly Rate Per Light</u>
Acorn (Decorative Pole)	4,000	0.060	\$10.82
Acorn (Historic Pole)	4,000	0.060	\$18.13
Acorn (Decorative Pole)	5,800	0.083	\$12.34
Acorn (Historic Pole)	5,800	0.083	\$18.81
Acorn (Decorative Pole)	9,500	0.117	\$13.20
Acorn (Historic Pole)	9,500	0.117	\$19.69
Colonial	4,000	0.060	\$ 7.76
Colonial	5,800	0.083	\$ 8.35
Colonial	9,500	0.117	\$ 9.13
Coach	5,800	0.083	\$27.91
Coach	9,500	0.117	\$28.69
Contemporary	5,800	0.083	\$14.15
Contemporary	9,500	0.117	\$16.93
Contemporary	22,000	0.242	\$20.06
Contemporary	50,000	0.485	\$26.65
GranVille	16,000	0.150	\$42.52
Gran Ville Accessories:			
Single Crossarm Bracket			\$17.07
Twin Crossarm Bracket			\$19.00
24 Inch Banner Arm			\$ 2.96
24 Inch Clamp Banner Arm			\$ 4.09
18 Inch Banner Arm			\$ 2.73
18 Inch Clamp on Banner Arm			\$ 3.37
Flagpole Holder			\$ 1.26
Post-Mounted Receptacle			\$17.72
Base-Mounted Receptacle			\$17.10
Additional Receptacles			\$ 2.42
Planter			\$ 4.10
Clamp On Planter			\$ 4.56

Private Outdoor Lighting - Rate P.O. LT

<u>Current Rate</u>	Approx.	kW	Monthly
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<u>Type of Light</u>	<u>Lumens</u>	<u>Rating</u>	<u>Charge</u>
<u>Standard (Served Overhead)</u>			
<u>Mercury Vapor</u>			
Open Bottom	7,000	.207	\$ 8.76
Cobra	20,000	.453	\$11.13
<u>High Pressure Sodium</u>			
Open Bottom	5,800	.083	\$ 4.86
Open Bottom	9,500	.117	\$ 5.62
Cobra	22,000	.242	\$10.36
Cobra	50,000	.485	\$17.07
<u>Directional (Served Overhead)</u>			
High Pressure Sodium	9,500	0.117	\$ 6.70
High Pressure Sodium	22,000	0.242	\$ 9.79
High Pressure Sodium	50,000	0.485	\$15.34
<u>Metal Halide Commercial and Industrial Lighting</u>			
Directional Fixture Only	12,000	0.207	\$10.03
Directional Fixture/Wood Pole	12,000	0.207	\$12.08
Directional Fixture/Metal Pole	12,000	0.207	\$18.78
Directional Fixture Only	32,000	0.450	\$14.52
Directional Fixture/Wood Pole	32,000	0.450	\$16.58
Directional Fixture/Metal Pole	32,000	0.450	\$23.27
Directional Fixture Only	107,800	1.080	\$30.58
Directional Fixture/Wood Pole	107,800	1.080	\$33.43
Directional Fixture/Metal Pole	107,800	1.080	\$39.32
Contemporary Fixture Only	12,000	0.207	\$11.17
Contemporary/Metal Pole	12,000	0.207	\$19.94
Contemporary Fixture Only	32,000	0.450	\$16.13
Contemporary/Metal Pole	32,000	0.450	\$24.87
Contemporary Fixture Only	107,800	1.080	\$33.23
Contemporary/Metal Pole	107,800	1.080	\$41.99
<u>Decorative HPS (Served Underground)</u>			
Acorn (Decorative Pole)	4,000	0.060	\$11.11
Acorn (Historic Pole)	4,000	0.060	\$17.29
Acorn (Decorative Pole)	5,800	0.083	\$11.77
Acorn (Historic Pole)	5,800	0.083	\$17.94
Acorn (Decorative Pole)	9,500	0.117	\$12.61
Acorn (Historic Pole)	9,500	0.117	\$18.78
Colonial	4,000	0.060	\$ 7.40
Colonial	5,800	0.083	\$ 7.96
Colonial	9,500	0.117	\$ 8.71
Coach	5,800	0.083	\$26.62
Coach	9,500	0.117	\$27.36
Contemporary	5,800	0.083	\$13.50
Contemporary	9,500	0.117	\$16.15
Contemporary	22,000	0.242	\$19.13
Contemporary	50,000	0.485	\$25.42
GranVille	16,000	0.150	\$40.55
Gran Ville Accessories:			
Single Crossarm Bracket			\$16.28
Twin Crossarm Bracket			\$18.12
24 Inch Banner Arm			\$ 2.82

24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.60
Flagpole Holder			\$ 1.20
Post-Mounted Receptacle			\$16.90
Base-Mounted Receptacle			\$16.31
Additional Receptacles			\$ 2.31
Planter			\$ 3.91
<u>Proposed Rate:</u>	Approx.	kW	Monthly
<u>Type of Light</u>	<u>Lumens</u>	<u>Rating</u>	<u>Charge</u>
<u>Standard (Served Overhead)</u>			
<u>Mercury Vapor</u>			
Open Bottom	7,000	.207	\$ 8.76
Cobra	20,000	.453	\$11.13
<u>High Pressure Sodium</u>			
Open Bottom	5,800	.083	\$ 5.10
Open Bottom	9,500	.117	\$ 5.89
Cobra	22,000	.242	\$10.86
Cobra	50,000	.485	\$17.90
<u>Directional (Served Overhead)</u>			
High Pressure Sodium	9,500	0.117	\$ 7.02
High Pressure Sodium	22,000	0.242	\$10.26
High Pressure Sodium	50,000	0.485	\$16.08
<u>Metal Halide Commercial and Industrial Lighting</u>			
Directional Fixture Only	12,000	0.207	\$10.52
Directional Fixture/Wood Pole	12,000	0.207	\$12.67
Directional Fixture/Metal Pole	12,000	0.207	\$19.69
Directional Fixture Only	32,000	0.450	\$15.22
Directional Fixture/Wood Pole	32,000	0.450	\$17.38
Directional Fixture/Metal Pole	32,000	0.450	\$24.40
Directional Fixture Only	107,800	1.080	\$32.06
Directional Fixture/Wood Pole	107,800	1.080	\$35.05
Directional Fixture/Metal Pole	107,800	1.080	\$39.32
Contemporary Fixture Only	12,000	0.207	\$11.71
Contemporary/Metal Pole	12,000	0.207	\$20.91
Contemporary Fixture Only	32,000	0.450	\$16.91
Contemporary/Metal Pole	32,000	0.450	\$26.08
Contemporary Fixture Only	107,800	1.080	\$34.84
Contemporary/Metal Pole	107,800	1.080	\$44.03
<u>Decorative HPS (Served Underground)</u>			
Acorn (Decorative Pole)	4,000	0.060	\$11.65
Acorn (Historic Pole)	4,000	0.060	\$17.29
Acorn (Decorative Pole)	5,800	0.083	\$12.34
Acorn (Historic Pole)	5,800	0.083	\$18.13
Acorn (Decorative Pole)	9,500	0.117	\$13.22
Acorn (Historic Pole)	9,500	0.117	\$19.69
Colonial	4,000	0.060	\$ 7.76
Colonial	5,800	0.083	\$ 8.35
Colonial	9,500	0.117	\$ 9.13
Coach	5,800	0.083	\$27.91
Coach	9,500	0.117	\$28.69
Contemporary	5,800	0.083	\$14.15

Transmission	(\$4.09) per KW
Non-Compliance Charge	
Primary	\$16.00 per KW
Transmission	\$16.00 per KW
<u>Proposed Rate</u>	
Demand Credit of:	
Primary	(\$4.19) per kW
Transmission	(\$4.09) per kW
Non-Compliance Charge	
Primary	\$16.00 per kW
Transmission	\$16.00 per kW

Curtaillable Service Rider 3 – Rider CSR3

Current Rate

Demand Credit of:	
Primary	(\$3.20) per KW
Transmission	(\$3.10) per KW
Non-Compliance Charge	
Primary	\$16.00 per KW
Transmission	\$16.00 per KW

Proposed Rate

Demand Credit of:	
Primary	(\$3.20) per kW
Transmission	(\$3.10) per kW
Non-Compliance Charge	
Primary	\$16.00 per kW
Transmission	\$16.00 per kW

Standard Rider for Excess Facilities – Rider EF

Current Rate

Charge for distribution facilities:
 Carrying Cost: 0.93%
 Operating Expenses: 0.56%

Proposed Rate

Charge for distribution facilities:
 Carrying Cost: 0.93%
 Operating Expenses: 0.56%

Standard Rider for Supplemental or Standby Service – Rider SS

Current Rate This rider is not currently available.

Proposed Rate

Contract Demand per kVA per month:
 Secondary \$6.15
 Primary \$5.80
 Transmission \$5.63

Standard Rider for Redundant Capacity Charge – Rider RC

Current Rate

Capacity Reservation Charge
 Secondary Distribution \$0.80 per KW per month

Primary Distribution \$0.63 per KW per month

Proposed Rate

Capacity Reservation Charge

Secondary Distribution \$0.80 per kW per month

Primary Distribution \$0.63 per kW per month

Load Reduction Incentive Rider – Rider LRI

Current Rate Up to \$0.30 per KWH

Proposed Rate Up to \$0.30 per kWh

Returned Payment Charge

Current Rate \$ 9.00

Proposed Rate \$10.00

Meter Test Charge

Current Rate \$31.40

Proposed Rate \$60.00

Disconnecting and Reconnecting Service Charge

Current Rate \$20.00

Proposed Rate \$25.00

Meter Pulse Charge

Current Rate This rate is not currently available.

Proposed Rate

Where a Customer desires and Company is willing to provide data meter pulses, a charge of \$9.00 per month will be made for those data pulses. Time pulses will not be supplied.

Meter Data Processing Charge

Current Rate

This rate is not currently available.

Proposed Rate

A charge of \$2.75 per report will be made to cover the cost of processing, generating, and providing recorder metered customer with profile reports.

Kentucky Utilities Company proposes the following new tariffs and/or charges: Retail Transmission Service Rate RTS, Lighting Energy Service Rate LE, Traffic Energy Service Rate TE, Supplemental /Standby Service Rate SS, Meter Pulse Charge, Meter Processing Charge, and a Late Payment Charge.

With this filing, KU proposes to charge a Late Payment fee, applicable to the following rates: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, All Electric School Rate AES, Proposed Power Service Rate PS, Proposed Time-of-Day Service Rate TOD, Proposed Large Time-of-Day Service Rate LTOD, Proposed Retail Transmission Service Rate RTS, and Proposed Industrial Service Rate IS. KU's due date for bills will remain 10 days from date of bill; however, the Late Payment Charge will be applied if the bill is paid

more than five (5) days after the bill due date. The Late Payment Charge will be 5% of a bill's net charges (including net minimum bills when applicable) for the following rate schedules: Rate RS, Rate VFD, and Rate GS. The Late Payment Charge will be 1% of a bill's net charges (including net minimum bills when applicable) for the following rate schedules: Rate PS, Rate TOD, LTOD, Rate RTS, and Rate IS.

In addition, Kentucky Utilities Company proposes to change the text of the following electric tariffs: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, All Electric School Rate AES, Large Power Service Rate LP, Large Commercial/Industrial Time-of-Day Service Rate LCI-TOD, Large Industrial Time-of-Day Service Rate LI-TOD, Small Time-of-Day Service Rate STOD, Street Lighting Service Rate ST. LT, Private Outdoor Lighting Rate P.O.LT, Net Metering Service Rate NMS, Curtailable Service Rider 3 Rate CSR3, Excess Facilities Rate EF, Temporary and/or Seasonal Service Rider TS, Demand Side Management Cost Recovery Mechanism DSM, and Environmental Cost Recovery Surcharge ECR.

In addition to the foregoing proposed changes in rates and text, KU is proposing numerous changes in the terms and conditions of providing service to its customers. These changes include, but are not limited to, the scope, applicability of service, and rate structure for each of the rate schedules and classes identified above. The changes also include numerous substantive, form or both changes to the terms and conditions for providing services to every customer class. These changes, if approved, may, among other changes, cause certain customers presently served under the General Service, Mining and Public Lighting classes to be assigned to a more appropriate rate schedule which reflects their load and operating characteristics, nature of the use, quality and quantity of service used, time when used, purpose for which used and other reasonable considerations.

Copies of the proposed tariffs containing text changes may be obtained by contacting Lonnie E. Bellar, Kentucky Utilities Company at 220 West Main Street, Louisville, Kentucky, 502-627-4830.

The foregoing rates reflect a proposed annual increase in revenues of approximately 2.0% to Kentucky Utilities Company.

The estimated amount of the annual increase, or decrease, per customer class is as follows: Residential: \$17,329,356, 4.27%; General Service: \$446,784, 0.32%; Large Power: \$(70,621), (0.02)%; Large Commercial/Industrial Time-of-Day: \$(38,022), (0.02)%; Small Time-of-Day: \$88,707, 0.92%; Mine Power: \$675,586, 6.32%; Large Mine Power Time of Day: \$34,295, 0.19%; Lighting: \$785,809, 4.22%.

The average monthly bill for each customer class to which the proposed electric rates will apply will increase, or decrease, approximately as follows: Residential: \$3.50, 4.27%; General Service: \$0.48, 0.32%; Large Power: \$(0.63), (0.02)%; Large Commercial/Industrial Time-of-Day:

\$(69.77), (0.02)%; Small Time of Day: \$139.48, 0.92%; Mine Power: \$1,387.24, 6.32%; Large Mine Power: \$283.43, 0.19%; Lighting: \$0.40, 4.22%.

The filing of KU's base rate application will cause the Value Delivery Team ("VDT") Surcredit Tariff and associated billing credits to be withdrawn from service effective August 1, 2008, pursuant to the Commission's March 24, 2006 Order in Case No. 2005-00351. The VDT Surcredit is a 0.293% monthly credit to customers' bills. In its base rate application, KU is proposing to include all savings associated with the VDT initiative in the calculation of its proposed base rates. When the new base rates become effective, customers should receive the benefit of all, including the shareholders' portion, of these savings through base rates.

The filing of KU's base rate application will also cause the Merger Surcredit Rider ("MSR") Tariff and associated billing credits to be withdrawn from service effective with the change in base rates pursuant to the Commission's June 26, 2008 Order in Case No. 2007-00563. The MSR Surcredit is a 0.868% monthly credit to customers' bills. In its base rate application, KU is proposing to include all MSR savings in the calculation of its proposed base rates. When the new base rates become effective, customers should receive the benefit of all, including the shareholders' portion, of these savings through base rates.

The rates contained in this notice are the rates proposed by Kentucky Utilities Company. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates contained in this notice.

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40601, and shall set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Any person who has been granted intervention may obtain copies of the application and any other filing made by the utility by contacting Lonnie E. Bellar, Vice President – State Regulation and Rates, Kentucky Utilities Company, c/o E.ON U.S. LLC, 220 West Main Street, Louisville, Kentucky, 502-627-4830.

A copy of the application and testimony shall be available for public inspection at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky, or the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.

A copy of this Notice and the proposed tariff, once filed, shall also be available for public inspection on Kentucky Utilities Company's website at www.eon-us.com.

Kentucky Utilities Company
c/o E.ON U.S. LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-627-4830

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601
502-564-3940

RECEIVED

SEP 12 2008

PUBLIC SERVICE
COMMISSION

NOTARIZED PROOF OF PUBLICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF Franklin

Before me, a Notary Public, in and for said county and state, this 8th day of September, 2008, came RACHEL MCCARTY, personally known to me, who, being duly sworn, states as follows: that she is the Advertising Assistant of the Kentucky Press Service, Inc.; that she has personal knowledge of the contents of this Affidavit; that the newspapers shown on Attachment No. 1 to this Affidavit published the Notice of Revisions to Customer Deposits on the dates shown thereon at the request of Kentucky Press Service, Inc. for Kentucky Utilities Company; that the form and content of the Notice submitted for publication to each paper is shown in Attachment No. 2 to this Affidavit; and that the Kentucky Press Service, Inc. has presented to Kentucky Utilities Company proof of these publications in the form of "tear sheets" for retention in its files. Said Notice pertains to the Customer Deposits contained in the Application and proposed Tariff filed by Kentucky Utilities Company with the Kentucky Public Service Commission in Case No. 2008-00251.

Rachel McCarty
Signature

Bonnie J. Howard
Notary Public
My Commission Expires: 9-18-08

(SEAL)

[Attachments: (1) List of publications and dates of publication; (2) sample published notice]

KENTUCKY PRESS SERVICE

101 Consumer Lane
(502) 223-8821

Frankfort, KY 40601
FAX (502) 875-2624

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to
Kentucky Utilities Company Customers.
Attached tearsheets provide proof of publi-
cation:

Barbourville Mountain Advocate:

8-14, 21 & 28

Bardstown KY Standard

8-13, 20 & 27

Bardwell Carlilse Co. News:

8-20, 27 & 9-3

Bardwell Carlilse Weekly:

8-13, 20 & 27

Beattyville Enterprise:

8-14, 21 & 28

Bedford Trimble Banner:

8-13, 20 & 27

Berea Citizen:

8-14, 21 & 27

Brooksville Bracken Co. News:

8-14, 21 & 28

Brownsville Edmonson News:

8-14, 21 & 28

Calhoun McLean Co. News:

8-14, 21 & 28

Campbellsville Central KY News Journal:

8-14, 21 & 28

Carlisle Mercury:

8-13, 20 & 27

Carrollton News Democrat:

8-13, 20 & 27

Cave City Barren Co. Progress:

8-13, 20 & 27

Central City Leader News:

8-13, 20 & 27

Central City Times Argus:

8-13, 20 & 27

Clinton Hickman Co. Gazette

8-13, 20 & 27

Columbia Adair Progress

8-14, 21 & 28

Corbin Times Tribune:

8-13, 20 & 27

Cumberland Tri-City News:

8-13, 20 & 27

Cynthiana Democrat:

8-14, 21 & 28

Dawson Springs Progress:

8-14, 21 & 28

Eddyville Herald Ledge:

8-20, 27 & 9-3

Elizabethtown Hardin Co. Independent:

8-14, 21 & 28

Elizabethtown News Enterprise:

8-13, 20 & 27

Falmouth Outlook:

8-12, 19 & 26

Fleming Co. Messenger:

8-25 & 9-1

Flemingsburg Gazette:

8-13 & 27

Florence Boone Co.:

8-14, 21 & 28

Frankfort State Journal:

8-12, 19 & 26

Fulton Leader:

8-13, 20 & 27

Georgetown News Graphic:

8-13, 20 & 27

Glasgow Daily Times:

8-13, 20 & 27

Greensburg Record Herald:

8-13, 20 & 27

Harlan Daily Enterprise:

8-13, 20 & 27

Harrodsburg Herald:

8-14, 21 & 28

Hartford Ohio Co. Times News:

8-14, 21 & 28

Henderson Gleaner

8-13, 20 & 27

Hickman Courier:
8-14, 21 & 28
Hodgenville Larue Co. Herald News:
8-13, 20 & 27
Hopkinsville Ky New Era:
8-14, 20 & 27
Irvine Citizen Voice & Times:
8-14, 21 & 28
Irvine Estill Co. Tribune:
8-13, 20 & 27
LaGrange Oldham Era:
8-14, 21 & 28
Lancaster Central Record:
8-14, 21 & 28
Lawrenceburg Anderson News:
8-13, 20 & 27
Lebanon Enterprise:
8-13, 20 & 27
Leitchfield GraysonCo. News Gazette:
8-13, 20 & 27
Leitchfield The Record:
8-14, 21 & 28
Lexington Herald Leader:
8-13, 20 & 27
Liberty Casey Co. News:
8-13, 20 & 27
London Sentinel Echo:
8-13, 20 & 27
Louisville Courier Journal:
8-13, 20 & 27
Madisonville Messenger:
8-13, 20 & 27
Manchester Enterprise:
8-14, 21 & 28
Marion Crittenden Press:
8-14, 21 & 28
Maysville Ledger Independent:
8-13, 20 & 27
Middlesboro Daily News:
8-13, 20 & 27
Morehead News:
8-15, 22 & 29
Morganfield Union Co. Advocate
8-13, 20 & 27

Mt. Sterling Advocate:
8-14, 21 & 28
Mt. Vernon Signal:
8-14, 21 & 28
Munfordville Hart Co. News Herald:
8-14, 21 & 28
New Castle Henry Co. Local:
8-13, 20 & 27
Nicholasville Jessamine Journal:
8-14, 21 & 28
Owensboro Messenger Inquirer:
8-13, 20 & 27
Owenton News Herald:
8-13, 20 & 27
Owingsville Bath Co. News Outlook
8-13, 27 & 9-3
Paducah Sun:
8-13, 20 & 27
Paris Bourbon Citizen/Advertiser
8-13, 20 & 27
Pineville Sun:
8-14, 21 & 28
Princeton Times Leader:
8-13, 20 & 27
Providence Journal Enterprise
8-14, 21 & 28
Richmond Register
8-13, 20 & 27
Russell Springs Times Journal:
8-14, 21 & 28
Sebree Banner:
8-14, 21 & 9-4
Shelbyville Sentinel News:
8-13, 22 & 8-27
Shepherdsville Pioneer News
8-13, 20 & 27
Smithland Livingstons Ledger:
8-20, 27 & 9-3
Somerset Commonwealth Journal:
8-13, 20 & 27
Springfield Sun:
8-13, 20 & 27
Stanford Interior Journal:
8-14, 21 & 28
Sturgis News:
8-13, 20 & 27

Taylorsville Spencer Magnet:

8-13, 20 & 27

The Advocate Messenger (Danville):

8-13, 20 & 27

Three Forks Tradition (Beattyville):

8-13, 20 & 27

Versailles Woodford Sun:

8-14, 21 & 28

Warsaw Gallatin Co. News:

8-13, 20 & 27

Whitley City McCreary Co. Record:

8-12, 19 & 26

Whitley City McCreary Co. Voice

8-14, 21 & 28

Wickliffe Advance Yeoman:

8-20, 27 & 9-3

Williamsburg News Journal:

8-13, 20 & 27

Williamstown Grant Co. News:

8-14, 21 & 28

Winchester Sun:

8-13, 20 & 27

EXAMPLE: NOTICE

On July 29, 2008, Kentucky Utilities Company ("KU") filed an Application with the Public Service Commission seeking approval to adjust its rates effective September 1, 2008. Public Notice of this filing is being published in all of KU's service territory, as well as being provided as a bill insert to all customers. However, it has been discovered that KU's proposed revisions to its Customer Deposits was inadvertently omitted from the published Notice and bill inserts.

With this filing, KU is proposing to increase its required Customer Deposits from the current amount of \$115.00 for residential customers to \$150.00 (34.99% increase). Currently, all non-residential customers are required to pay a deposit based upon actual usage for the most recent 12-month period, if such information is available. If usage information is not available, the deposit is based on the average bills of similar customers and premises, not to exceed 2/12 of the customer's actual or estimated annual bill. KU is proposing a fixed Customer Deposit amount for its General Service customers in the amount of \$140.00, with the Customer Deposit for all other non-residential customers being not more than 2/12 of the of the customer's actual or estimated annual bill.

The rates contained in this notice are the rates proposed by Kentucky Utilities Company. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates contained in this notice.

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40601, and shall set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Any person who has been granted intervention may obtain copies of the application and any other filing made by the utility by contacting Lonnie E. Bellar, Vice President – State Regulation and Rates, Kentucky Utilities Company, c/o E.ON U.S. LLC, 220 West Main Street, Louisville, Kentucky, 502-627-4830.

Kentucky Utilities Company
c/o E.ON U.S. LLC
220 West Main Street
P. O. Box 32010
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SEP 12 2008

PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF KENTUCKY)
UTILITIES COMPANY TO FILE) CASE NO. 2007-00565
DEPRECIATION STUDY)**

**APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN) CASE NO. 2008-00251
ADJUSTMENT OF BASE RATES)**

PETITION FOR APPROVAL TO DEVIATE FROM RULE

Kentucky Utilities Company (“KU”) petitions the Kentucky Public Service Commission (“Commission”) to grant KU approval, pursuant to 807 KAR 5:011 § 14, to deviate from the notice requirements in the above-captioned proceeding because KU has substantially complied with the Commission’s notice regulations. In support of this petition, KU states as follows:

1. The purpose of the Commission’s rate change notice regulations is to ensure that members of the public have sufficient notice of KU’s application and a meaningful opportunity to participate, individually or through representative agencies, in this proceeding. As stated by the Kentucky Supreme Court:

Substantial compliance in regard to publication requirements has been authorized. The purpose of the statute is to allow the public an ample opportunity to become sufficiently informed on the public question involved.¹

Publication of Original Notice

2. On July 29, 2008, KU filed its Application with the Commission for approval of an adjustment of its existing rates, terms, and conditions for gas and electric services. Prior to

¹ *Conrad v. Lexington-Fayette Urban County Government*, 659 S.W.2d 190, 195 (1983) (citing *Queenan v. City of Louisville*, 233 S.W.2d 1010 (1950)) See also *Lyon v County of Warren*, 325 S.W.2d 302 (1959) (publishing notice of bond referendum outside statutory time limits, accompanied by media attention and other means, held sufficient notice to public).

filing its Application, and in full compliance with all applicable notice regulations, on July 15, 2008, KU delivered to the Kentucky Press Association a notice of the filing of its application for publication in 95 newspapers in KU's service areas, once a week for three consecutive weeks, with the first publication to begin on July 22, 2008.²

3. Prior to the first publication, KU, the Office of the Attorney General, and the Commission's Executive Director wrote letters to all the newspapers in which KU's notice was to be published to impress upon the staffs of those newspapers the importance of timely publishing the notice. An illustrative copy of the KU letter is attached hereto as Exhibit A.

4. Notwithstanding these efforts, the following small local newspapers deviated from KU's requested publication. In reviewing these deviations, KU respectfully requests that the Commission consider that the two newspapers of largest circulation in the Commonwealth, the *Lexington Herald-Leader* and the *Louisville Courier-Journal*, timely published KU's original notice on July 23, July 30, and August 6.

a. The *Anderson News*, published in Lawrenceburg, Kentucky, and covering Anderson County, failed to publish the KU Notice on July 30. An additional publication date was scheduled for August 13, in order to complete the three-publication requirement. It published on July 23, August 6, and August 13.

b. The *Fleming County Messenger*, published in Owingville, Kentucky, ran its first publication of the KU Notice on July 21, one day too early to meet the "within 7 days of filing" requirement. The *Messenger* added August 18 as a publication date due to its error, so that it published KU's original notice on July 21, July 28, August 11, and August 18. In addition to publishing in the *Messenger*, however, KU published its original notice in the *Flemingsburg Gazette* as well, which also covers Fleming County.

² See Application for Authority of Adjust Rates, Tab 9, Certificate of Notice.

The *Flemingsburg Gazette* published KU's original notice on July 23, July 30, and August 6.

c. The *Fulton Leader*, published in Fulton, Kentucky, and covering Fulton County, failed to publish the KU Notice on July 23. An additional publication was made on August 13, so that the *Fulton Leader* published KU's original notice on July 30, August 6, and August 13. The *Hickman Courier*, which also publishes in Fulton County, also published KU's original notice on July 24, July 31, and August 7.

5. In addition to causing notice of the filing of its Application in this case to be published in newspapers of general circulation in its service areas, on July 29, 2008, KU posted the notice for public inspection at its offices and places of business in the territory affected by the application, as well as on its website.³

Publication of Supplemental Notice

6. On August 6, 2008, the Commission notified KU by letter that KU's notice to the public was deficient as follows:

The customer notice included in the application does not include the present and proposed rates for customer deposits which are proposed to be increased in accordance with proposed Electric Tariff No. 14, Sheet Nos. 102 and 102.1. Your filing of a revised copy of the customer notice should include the dates upon which the first newspaper publication will be made, in each newspaper in which you give notice, to show compliance with the seven-day requirement set for in 807 KAR 5:001, Section 10(4)(c)3.

The Commission further stated that KU's Application in this proceeding would not be deemed filed until KU cured the deficiency in its notice.

7. In compliance with the Commission's directive, on August 7, 2008, KU delivered to the Kentucky Press Association for publication once a week for three consecutive weeks

³ See Application for Authority of Adjust Rates, Tab 9, Certificate of Notice.

beginning the week of August 12, 2008 (the earliest possible date for publication in the same 95 newspapers as are publishing the original notice), a supplemental notice of the filing of KU's application, which corrected the deficiency identified by the Commission in its August 6, 2008 letter.

8. In its Order dated August 15, 2008, the Commission stated:

Based on a review of KU's supplemental customer notice and being otherwise sufficiently advised, the Commission finds that the deficiency noted in our August 6, 2008 letter has been cured. The supplemental customer notice will be published for the first time on August 14, 2008. Since 807 KAR 5:001, Section 10(4)(c)3, requires the first publication to be within 7 days of the filing of the application, the earliest that the application can be accepted for filing is August 7, 2008. Therefore, the Commission will accept for filing KU's rate application on August 7, 2008.

9. Notwithstanding KU's efforts to have all 95 newspapers publish the supplemental notice according to the plan provided to the Commission, the following small local newspapers deviated from KU's requested publication. In reviewing these deviations, KU respectfully requests that the Commission consider that the two newspapers of largest circulation in the Commonwealth, the *Lexington Herald-Leader* and the *Louisville Courier-Journal*, timely published KU's supplemental notice on August 13, August 20, and August 27. KU further respectfully requests that the Commission consider that the small local newspapers that deviated in publishing the supplemental notice are not the same newspapers that deviated in publishing the original notice, meaning that the customers who reside in the areas covered by the newspapers below already had received full and timely notice of this proceeding via the publication of KU's original notice.

- a. The *Wickliffe Advance Yeoman*, which publishes in Ballard County, failed to publish KU's supplemental notice on the scheduled date of August 13. An additional

publication date was scheduled for September 3, so that the *Wickliffe Advance Yeoman* published KU's supplemental notice on August 20, August 27, and September 3.

b. The *Carlisle County News*, which publishes in Carlisle County, failed to publish KU's supplemental notice on the scheduled date of August 13. An additional publication date was scheduled for September 3, so that the *Carlisle County News* published KU's supplemental notice on August 20, August 27, and September 3. The *Carlisle Weekly*, which also publishes in Carlisle County, published KU's supplemental notice on August 13, August 20, and August 27.

c. The *Smithland Livingston Ledger*, which publishes in Livingston County, failed to publish KU's supplemental notice on the scheduled date of August 13. An additional publication date was scheduled for September 3, so that the *Smithland Livingston Ledger* published KU's supplemental notice on August 20, August 27, and September 3.

10. In addition to publishing the supplemental notice, beginning on August 7, 2008, KU posted the supplemental notice at the same offices and places of business as it had posted and currently maintains copies of the original notice.

Request for Deviation from Rule

11. In view of the extensive notice KU has provided through its original and supplemental published notices, which the vast majority of the newspapers in KU's service territory – including the two newspapers of largest circulation in the Commonwealth, the *Lexington Herald-Leader* and the *Louisville Courier-Journal* – timely published, KU respectfully requests a deviation from the Commission's notice regulations with respect to the instances of non-conformity cited above. The ratio of newspapers that published on the required date to papers that were not published on the required date, but were subsequently published on

another date, is 32/1. Every paper, whether the legally required paper or not, published the original and supplemental notices three times each. As noted at the beginning of this Petition, the Kentucky Supreme Court has stated, “Substantial compliance in regard to publication requirements has been authorized. The purpose of the statute is to allow the public an ample opportunity to become sufficiently informed on the public question involved.”⁴ KU respectfully submits that it has substantially complied with the requirements of the Commission’s notice regulations through its publications of the original and supplemental notices, bill inserts (for the original notice), and posting both notices in KU’s offices and places of business. It is therefore clear that KU has achieved and is achieving the purpose of the Commission’s rate change notice regulations, namely ensuring that the public has sufficient notice of KU’s application and a meaningful opportunity to participate, individually or through representative agencies, in this proceeding. Moreover, KU, the Attorney General, and the Executive Director of the Commission wrote letters to impress upon the staffs of the newspapers that were to publish the notices the importance of timely publishing said notices; in sum, KU did all it reasonably could have done to ensure complete compliance with the Commission’s notice regulations. KU therefore respectfully requests the Commission to grant a deviation from its notice regulations, deeming KU’s substantial compliance to be sufficient compliance with those regulations in this proceeding.⁵

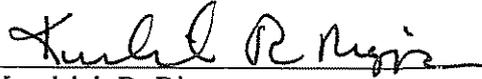
⁴ *Conrad v. Lexington-Fayette Urban County Government*, 659 S.W.2d 190, 195 (1983) (citing *Queenan v. City of Louisville*, 233 S.W.2d 1010 (1950)). See also *Lyon v. County of Warren*, 325 S.W.2d 302 (1959) (publishing notice of bond referendum outside statutory time limits, accompanied by media attention and other means, held sufficient notice to public).

⁵There were no deviations from the plan of publication in the Louisville Gas and Electric Company service territory in Case No. 2008-00252 (the sister rate proceeding to this proceeding).

WHEREFORE, Kentucky Utilities Company respectfully requests that, pursuant to 807 KAR 5:011 § 14, the Commission grant a deviation from its notice regulations, deeming KU's substantial compliance to be sufficient compliance with those regulations in this proceeding.

Dated: September 12, 2008

Respectfully submitted,



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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following persons on the 12th day of September, 2008, United States mail, postage prepaid:

Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

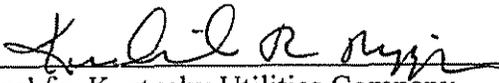
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July 10, 2008

Dear Sir or Madam:

This letter is to inform you that you will soon receive a notice of a proposed rate increase from Louisville Gas and Electric Company and Kentucky Utilities Company required by 807 KAR 5:001, § 10(4) and 807 KAR 5:011, § 8, to be published three consecutive weeks, the first publication to occur before the rate increase application is filed with the Kentucky Public Service Commission. I am sending this letter to all newspapers that will be requested, pursuant to KRS 424.120, to publish the notice to emphasize the importance of compliance with these publication requirements, and to ask that, if you have questions with regard to the requirements, please contact me.

Thank you very much for your assistance.

Sincerely,

Lonnie E. Bellar